MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) A foreign banking company of finance company would be allowed to participate as a technical collaborator or a co-promoter. Their participation in the primary equity of the new private sector bank will be restricted to 20 per cent.

(c) Consequent upon issue of guidelines for setting up new banks in the private sector, RBI have received 140 proposals|applications. Such request have been received from financial institutions, corporate bodies, firms/associations and individuals. The break up in this regard is given below:—

1.	Financial institutions . .	5
2.	Finance Companies . .	38
3.	Other corporate bodies . .	22
4.	Firms/Trust/Associations .	27
5.	Individuals . .	48
		140

The proposed new banks will attend to core banking activities.

Setting up of private banks in the country

479. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) how many applications have been received by the Reserve Bank of India to set up private banks in the country;

(b) how many applications, out of the above, have been cleared so far by the Reserve Bank of India;

(c) the number of applications which are pending and how many have been rejected;

(d) whether it is also a fact that the Reserve Bank of India has received suggestions for the liberalisation of terms and conditions for setting up private banks; and

(e) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) As on 31.10.93, the Reserve Bank of India (RBI) had received 140 applications/proposals for setting up new banks in the private sector. Out of these only 19 are in the prescribed form.

(b) RBI have given 'in principle' approval in the case of four applications.

(c) No application has so far been rejected by Reserve Bank of India. Remaining applications|proposals are at various stages of processing.

(d) and (e) Reserve Bank of India have received certain suggestions for liberalisation of terms and conditions for setting up new banks in the private sector. These suggestions are receiving the attention of the Government and the Reserve Bank of India.

Rise in inflation rate

480. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inflation rate has been rising higher and higher since August this year;

(b) if so, what is the weekly increases registered since August, 1993 and the corresponding wholesale price index readings; indicating the component-wise increasesis;

(c) the main reasons for the rise in inflation and the commodity-wise prices; and

(d) The steps taken to effectively curb the trend?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) A modest rise by 1.5 percentage points over 7 percent rate was registered from August. Rate of inflation for latest week (20 November, 1993) is 8.4 percent. The weekly changes registered since August, 1993 are shown in the enclosed statement. (*See* below)

(c) Much of the increase in the inflation rate since August is due to sharp rise in primary products-mainly foodgrains, edible oils, agricultural raw materials such as jute and sugarcane and sharp hike in costs of electricity. Other reasons are:

— Raising the Minimum Support Prices of commodities such as rice, wheat, sugarcane.

— Speculative increase in August due to prolonged dry spell and anticipation of decline in production in parts of A.P. and Gujarat.

— Truckers strike twice in the year causing disruptions in the movements of essential goods and raw materials.

— Relaxation in fiscal discipline.

(d) For moderating the price rise the Government's intervention is primarily in augmenting supplies of essential commodities. Apart from increasing allocation through the PLS, open market sales of wheat by FCI have been initiated. Import of 1 lakh tonnes of edible oils has been ordered to augment domestic supplies. Higher quantities of sugar were also released to keep the prices under check during festival season.

Statement

Weekly rates of wholesale prices (1993-94)

(Base : 1981-82-100)

Week ended	All commodities	Primary Articles	Fuel, Power etc.	Manufactured products	Weekly variations (%)			
					All commodities	Primary articles	Fuel, power etc.	Manufactured products.
31-7-93	245.0	250.8	254.3	240.0				
7-8-93	246.0	252.0	254.3	241.1	0.4	0.5	0.0	0.5
14-8-93	246.4	252.3	254.3	241.6	0.2	0.1	0.0	0.2
21-8-93	247.0	252.7	254.3	242.4	0.2	0.2	0.0	0.3
28-8-93	248.6	254.2	254.3	244.4	0.6	0.6	0.0	0.8
4-9-93	250.9	256.7	263.4	245.1	0.9	1.0	3.6	0.3
11-9-93	250.4	255.5	263.4	245.1	—0.2	—0.5	0.0	0.0
18-9-93	250.8	255.8	263.4	245.7		0.1	0.0	0.2
25-9-93	248.5	255a8	254.3	243.2	—0.9	0.0	—3.5	—1.0
2-10-93	249.5	259.1	254.3	243.1	0.4	1.	.0	0.0
9-10-93	249.2	258.9	254.3	242.8	—0.1	—0.1	0.0	0.1
16-10-93	249.0	257.8	254.3	243.1	—0.1	—0.4	0.0	0.1
23-10-93	250.0	257.8	254.3	244.8	0.4	0.0	0.0	0.7
30-10-93	251.1	256.8	265.8	245.2	0.4	—0.4	4.0	
6-11-93	251.7	259.0	265a8	245.0	0.2	0.0	.0	—0.1
13-11-93	251.4	257.8	265.8	245.0	—0.1	—0.5	0.0	0.0

Defaulters of Bank Loans

481. SHRIMATI VEENA VERMA:
SHRI MAHENDRA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that around 600 big defaulters owed to the 28 nationalised banks bad debts amounted to Rs. 20,000 crores;

(b) if so, what are the names of the top 20 defaulters of each banks indicating the amount owed by each one of them; and

(c) what steps have been taken are being taken by Government to recover these debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) In accordance with the statutes governing the nationalised banks as also in terms of the practices and usages customary amongst bankers, as banks do not disclosed the quantum of bad and doubtful debts for which provisions are made to the satisfaction of their statutory auditors as also the amount of bad debts written oc. However, as per information available from Reserve Bank of India, the position of overdues of public sector banks as at the end of September, 1991 and September 1992 was as under:—

	No. of accounts in lakhs	Overdues amount Rs. in crores
1991 September,	177.34	17967
September, 1992	170.97	21822

Various steps steps have been taken by Reserve Bank of India to reduce the amount of overdues and also improve the recovery performance of the commercial banks in respect of their advances to various scetors4 Some of the important steps are as follows:—

1. Banks have been impressed upon to institute a viable recovery system with a view to help recycling the scarce resources of the banks to the needy and productive sectors of the economy on the one hand, and to improve the profitability and viability of the lending banks, on the other.

2. Introduction of a comprehensive and uniform grading system to indicate the health of individual advances for the purpose of their effective monitoring and follow up.

3. To keep a watch on the recovery of top sticky accounts.

4. Taking corrective action where advances are found to have become sticky.

5. Recently the Recovery of Debts due to Banks and Financial Institutions Act, 1993 has been enacted for expeditious adjudication and recovery of debts due to banks and for matters connected therewith or incidental thereto.

Recommenation made by Rekhi Committee Indirect Taxes

482. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Rekhi Committee has submitted its final Report on streamlining and simplifying laws and procedures pertaining to indirect taxes;

(b) if so, what are the basic features and recommendations of the report made by the Committee;

(c) whether it is a fact that the Committee recommended the constitution of a high powered tribunal on the lines of Central Administrative Tribunal with original jurisdiction to intervene in matters of emergency; and